No. 79-223

In the Supreme Court of the United States

OCTOBER TERM, 1979

REID C. GOODBAR and ARTHUR M. PRESSLEY,
PETITIONERS

v.

DONALD W. BANNER, COMMISSIONER OF PATENTS
AND TRADEMARKS, ET AL.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

MEMORANDUM FOR THE FEDERAL RESPONDENTS IN OPPOSITION

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1. This petition arises from a denial by the Court of Customs and Patent Appeals of interlocutory relief from a discovery order issued by the Patent and Trademark Office Board of Patent Interferences (the "Board") in patent interference proceeding No. 98,935. The proceeding involves a dispute between two private parties over the priority of patents covering a method of blending textile fibers and metal filaments used in the manufacture of certain yarns.[1] The discovery order at

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[1]The real parties in interest in the patent interference proceeding are the Riegel Textile Corporation, petitioners' assignee, and the Brunswick Corporation, assignee of respondent Klein (CCPA App. 65-66). ("CCPA App." refers to the Appendix to Petition for Writ of Mandamus in the Court of Customs and Patent Appeals.)

issue developed from the testimony of Dr. Roger Varin, a former employee of petitioners' assignee, that he had maintained correspondence during his employment that related to the instant proceeding (Pet. App. A2). Pursuant to discovery rules promulgated by the Patent Office, 37 C.F.R. 1.287, respondent William Klein filed a motion for production of, *inter alia*, the correspondence alluded to in the Varin testimony. Petitioners opposed the production request on grounds that it was untimely, not in the interest of justice, and unduly broad, and that the correspondence was irrelevant and confidential (CCPA App. 64).

The Board ordered disclosure of various items, including the Varin correspondence to the extent that it related to the interference proceeding (Klein Br. in Opp. App. 14-19). Petitioners appealed that part of the order addressing the Varin correspondence to the Commissioner of Patents and Trademarks, who upheld the Board's order (*id.* at 9-12). Respondent Klein thereupon secured the issuance of a subpoena *duces tecum* from the United States District Court for the Southern District of New York pursuant to 35 U.S.C. 24, directing petitioners and their counsel to produce the Varin correspondence.[2] Subsequently, the subpoena was withdrawn by stipulation (Klein Br. in Opp. App. 33-34).

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[2]35 U.S.C. 24 provides in pertinent part:

> The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent and Trademark Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent and Trademark Office.

Petitioners then petitioned the Court of Customs and Patent Appeals for a writ of mandamus to vacate the discovery order. The court denied relief and dismissed the petition for lack of subject matter jurisdiction (Pet. App. A1-A8). The court observed that "[t]he All Writs Act [28 U.S.C. 1651(a)] is not an independent grant of appellate jurisdiction, and, therefore, the appellate jurisdiction which the writs are 'in aid of' must have some other basis" (Pet. App. A5). Since its appellate jurisdiction in patent interference proceedings is limited to issues involving the question of priority of patents under 35 U.S.C. 141 and matters ancillary to determinations of priority, the court concluded that the issue involved here—the scope of discovery—must fall within that ambit for mandamus to be available.

The court noted that "[a]t this stage of the proceeding, it is not known whether the requested discovery will actually lead to *legally relevant* and *admissible* evidence" (Pet. App. A7; emphasis in original). It therefore held that the discovery dispute "is certainly not a question of priority, and we are of the opinion that it is not ancillary to priority as the case law has developed the meaning of that term. The happenstance that the ordered discovery *might* result in evidence bearing upon or even establishing priority does not make this issue ancillary to priority" (*id.* at A7-A8; emphasis in original). Accordingly, the court concluded that it was without jurisdiction to entertain the mandamus petition (*id.* at A8).

2. The decision of the court below is correct and presents no issue warranting further review. The result reached by the Court of Customs and Patent Appeals is in accord with the general rule that orders granting or denying discovery are not subject to immediate appellate review. *United States* v. *Nixon*, 418 U.S. 683, 688-689 (1974); 4 *Moore's Federal Practice* para. 26.83[3] (2d ed.

1976). This is especially true when interlocutory review is sought by way of mandamus, which is "a drastic [remedy], to be invoked only in extraordinary situations." *Kerr* v. *United States District Court*, 426 U.S. 394, 402 (1976). The record is barren of any grounds for an exception to this settled rule. Although petitioners contend that issuance of a writ of mandamus is necessary "to prevent dissemination of privileged and confidential information" (Pet. 6), they have never substantiated this claim at any point in the proceedings.[3]

The Court of Customs and Patent Appeals properly dismissed the mandamus petition for want of jurisdiction rather than deny it on the merits. The court's narrow appellate jurisdiction in interference proceedings results in correspondingly limited jurisdiction to issue writs of mandamus. Therefore, the cases relied upon by petitioners (Pet. 7) are inapposite, since in those cases the appellate courts would have had jurisdiction over the issues involved in the mandamus proceedings had they arisen on appeal.

Petitioners allege a conflict (Pet. 8-9) between the decision of the court below and that of the Second Circuit in *Shattuck* v. *Hoegl*, 555 F. 2d 1118 (1977). However, the decisions can be readily harmonized. The court in *Shattuck* ruled that a party to an interference proceeding could not take an interlocutory appeal from a district court order denying discovery under 35 U.S.C. 24. The court went on to observe that its dismissal of the

[3]Before the Board, petitioners objected on numerous grounds to respondent Klein's general discovery request, asserting "confidential business information" but not asserting privilege (CCPA App. 64). Petitioners have not amplified these claims subsequently, and the privilege claim appears founded solely upon a passing remark in Dr. Varin's testimony that he "was the person responsibile for the contacts with patent attorneys" (Klein Br. in Opp. App. 29).

appeal in the collateral discovery proceeding did not leave the appellant without a remedy, because Patent Office Rule 287, 37 C.F.R. 1.287, provides for the conduct of discovery in the main proceeding. The court then stated (555 F. 2d at 1121): "Moreover, a party disappointed by an interference proceeding has access to two Article III courts. An appeal may be taken to the Court of Customs and Patent Appeals. If that court finds that discovery against a party should have been ordered, it can vacate the decision of the Patent Office. Alternatively, the losing party may seek review in a district court, in which a trial *de novo* will be held."

Petitioners read the quoted language as a recognition by the Second Circuit that discovery matters, as distinguished from evidentiary matters, are reviewable by the Court of Customs and Patent Appeals. But there is no justification for reading the language so expansively. The *Shattuck* court, in commenting in dicta on the alternative remedies available to the appellant, had no occasion to engage in a careful examination of the jurisdiction of the Court of Customs and Patent Appeals or to take account of the limitations placed on that jurisdiction by Congress. Hence, the court of appeals' broad statement that "a party disappointed by an interference proceeding has access to two Article III courts" could not have been intended to expand the right of review in interference proceedings, which is expressly limited by statute to "the question of priority." 35 U.S.C. 141, 146. Therefore, to the extent that discovery orders lead to the introduction of relevant evidence, and the admissibility or weight of that evidence

bears on the question of priority, the view expressed in *Shattuck* is fully compatible with the holding of the court below.[4]

Finally, this matter is not now ripe for review. Petitioners may yet seek a protective order from the Board. If that request is denied, petitioners may withhold the correspondence in issue and appeal whatever sanctions are imposed in the event they are not awarded priority. Should the subpoena withdrawn by stipulation of the parties be reissued, petitioners may seek a protective order in the district court. 35 U.S.C. 24; Fed. R. Civ. P. 26(c). Thus, petitioners have access to a number of remedies designed to safeguard confidential information against disclosure in discovery, and they were not entitled to issuance of an extraordinary writ. See generally Note, *Discovery in Patent Interference Proceedings*, 89 Harv. L. Rev. 573 (1976).

It is therefore respectfully submitted that the petition for a writ of certiorari should be denied.

WADE H. MCCREE, JR.
Solicitor General

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[4]Similarly, to the extent that Patent Office Rule 287 suggests by negative implication that discovery orders are appealable, that is the case only when and to the extent that an order leads to the discovery of evidence (or the withholding of evidence) bearing on the question of priority.

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